

LD Exchange.com, Inc. Ex. _____

OFFICIAL FILE

STATE OF ILLINOIS ILL. C. C. DOCKET NO. 00-0357
ILLINOIS COMMERCE COMMISSION LD Exhibit No. 1

LD Exchange.com, Inc. :

Application for a :

Certificate of :

Interexchange Service :

Authority to :

Operate as a Reseller of :

Telecommunications Services :

Within the State of Illinois :

Witness _____

Date 6-13-00 Reporter JLB

Docket No. 00-0357

PREFILED DIRECT TESTIMONY
OF
Dale Christensen

1. Q. Please state your name and business address.
A. Dale Christensen, 2510 N. Redhill Avenue; Suite 230,
Santa Ana, California 92705-5542.
2. Q. By whom are you employed, and what is your position?
A. I am the Treasurer of LD Exchange.com, Inc..
3. Q. Please describe your management experience.
A. My management experience, as well as the other key
members of LD Exchange.com, Inc.'s management team is
set forth on Attachment C to our application.
4. Q. What is the purpose of your testimony?
A. The purpose of my testimony is to describe LD
Exchange.com, Inc.'s business and to demonstrate LD
Exchange.com, Inc.'s financial, technical and
managerial ability to provide high quality,
competitively priced, telecommunications services, and

to describe how the company will provide its services to customers within the State of Illinois.

5. Q. Please describe LD Exchange.com, Inc.'s business.

A. Applicant currently operates as a wholesale provider of international telecommunications services to other authorized US carriers. The company is now in the process of obtaining authorization throughout the United States to be a provider of long-distance telephone services offered by facilities-based interexchange carriers. Upon receiving certification, Applicant intends to provide telecommunications services, including outbound 1+ and 101XXXX dialing, inbound 800/888 toll-free, travel card and prepaid calling card services, throughout the State of Illinois. Applicant intends to provide these services throughout the United States and is currently in the process of obtaining all required authorizations from the various public service and utilities commissions. LD Exchange.com, Inc.'s prices for long distance service will be competitive with AT&T Communications of Illinois, Inc.'s prices.

6. Q. In what state is LD Exchange.com, Inc. organized?

A. Delaware. A copy of LD Exchange.com, Inc.'s Certificate of Organization is provided in Attachment B to our application.

7. Q. Is LD Exchange.com, Inc. certified to do business in Illinois?
- A. Yes. A copy of LD Exchange.com, Inc.'s qualification documents from the Secretary of state is provided as Exhibit A hereto.
8. Q. Describe LD Exchange.com, Inc.'s financial ability to provide the proposed services.
- A. Copies of LD Exchange.com, Inc.'s Balance Sheet and Income Statement for the year ended December 31, 1999 is provided as Attachment D to our application. The company is a wholly-owned subsidiary of Micro General Corporation, which is a subsidiary of Fidelity National Financial, Inc., a very profitable and large public company.
9. Q. Who are the officers of LD Exchange.com, Inc.?
- A. The current officers of LD Exchange.com, Inc. are as follows:
- John Snedegar, Chief Executive Officer & Director
- Joseph L. Putegnat, President & Director
- Patrick F. Stone, Executive Vice President & Director
- Dale Christensen, Treasurer
- M'Liss Jones Kane, Executive Vice President & Secretary

10. Q. Describe LD Exchange.com, Inc.'s management team.
- A. LD Exchange.com, Inc.'s management team is described on Attachment C to our application. As shown, our management team has many years' experience in the telecommunications industry.
11. Q. In your opinion, does LD Exchange.com, Inc. have the financial and managerial resources necessary to provide the proposed telecommunications services in the State of Illinois?
- A. Yes. In my opinion, LD Exchange.com, Inc. has the necessary financial and managerial resources to provide the proposed telecommunications services in the State of Illinois.
12. Q. Does LD Exchange.com, Inc. intend to file a tariff in Illinois?
- A. Yes. LD Exchange.com, Inc. will file a tariff upon a grant of certification by the Illinois Commerce Commission.

13. Q. Would you describe the configuration of LD Exchange.com, Inc.'s system and equipment.

A. Initially, LD Exchange.com, Inc. will be a reseller utilizing the equipment of and the service provided by a facilities based carrier. Originating calls from a customer are carried by the local exchange telephone company (LEC) to the LEC's end office or access tandem serving that customer. The LEC routes the calls to the underlying carrier for transmission. In the event that LD Exchange.com, Inc. became a switched-based reseller, calls will then be routed from the LEC to LD Exchange.com, Inc.'s switch through a Feature Group D access arrangement. The calls are then carried over leased facilities to the underlying carrier's switch. The switch routes the call to the point of termination. For call termination LD Exchange.com, Inc. will initially rely upon the underlying carrier, and in the event that LD Exchange.com, Inc. obtains a switch, call termination will rely upon the combined use of leased facilities (with Feature Group D access capability to the terminating LEC) and various virtual WATS products supplied by other interexchange carriers.

14. Q. When dialing out on a phone serviced by LD Exchange.com, Inc., what number(s) does the end user dial in order to access LD Exchange.com, Inc.?
- A. The end user will dial 1 + or 101XXXX + area code and number.
15. Q. How is the end user billed?
- A. For resold long distance telephone services, the end users will be billed directly by the company which will utilize "real-time" completed call detail information from our underlying carriers.
16. Q. In your opinion, does LD Exchange.com, Inc. have the technical ability and resources necessary to provide the proposed telecommunications services to customers in the State of Illinois?
- A. Yes. In my opinion, LD Exchange.com, Inc. has the necessary technical ability and resources to provide telecommunications service to customers within the State of Illinois.

17. Q. Are you familiar with the term slamming, and if so, what will your company do to prevent slamming?

A. Yes, I am familiar with the term and the meaning of slamming. Our company will take all necessary measures in order to prevent slamming, including attempting to get a signed letter of agency from all presubscribed customers prior to commencing service, and all marketing will be done in accordance with all applicable state and federal regulations.

18. Q. Are there any pending complaints against LD Exchange.com, Inc. in any states where it is providing telecommunications services?

A. No.

19. Q. Please describe what services you intend to provide in the State of Illinois?

A. We intend to provide 1+ and 101XXXX outbound dialing, 800/888 toll-free inbound service, travel cards, prepaid calling cards, and directory assistance. We do not intend to provide operator services.

20. Q. Will LD Exchange.com, Inc. have any employees located in Illinois?

A. No.

21. Q. Does the company wish to keep its books and records at its principal place of business in California?

A. Yes.

22. Q. Does this conclude your testimony?

A. Yes.

EXHIBIT A

CERTIFICATE OF AUTHORITY

State of Illinois
Office of
The Secretary of State

Whereas, APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT
BUSINESS IN THIS STATE OF
LD EXCHANGE.COM, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE HAS BEEN FILED
IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS
CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 4TH day of MAY A.D. 2000 and of the Independence of the United States the two hundred and 24TH .



Jesse White

Secretary of State

State of California

County of Orange

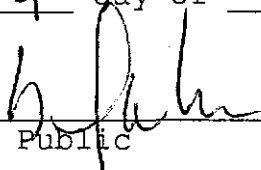
AFFIDAVIT

I, Dale Christensen, first being duly sworn upon oath depose and say that I am the Treasurer of LD Exchange.com, Inc., the Applicant, and that I have read the above and foregoing prefiled testimony by me subscribed and know the contents thereof, which testimony was filed in support of LD Exchange.com, Inc.'s Application for a Certificate of Interexchange Service Authority to Operate as a Reseller of Telecommunications Services within the State of Illinois; that said contents are true in substance and in fact, except as to matters stated upon information and belief, and as to those, I believe the same to be true.



Dale Christensen
Treasurer

Sworn to and subscribed before me
this 9 day of May, 2000.



Notary Public

My Commission Expires:

Sept. 27, 2001

